"The Challenges of Being Located in a Ozone Non Attainment Area"

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Non Attainment Area

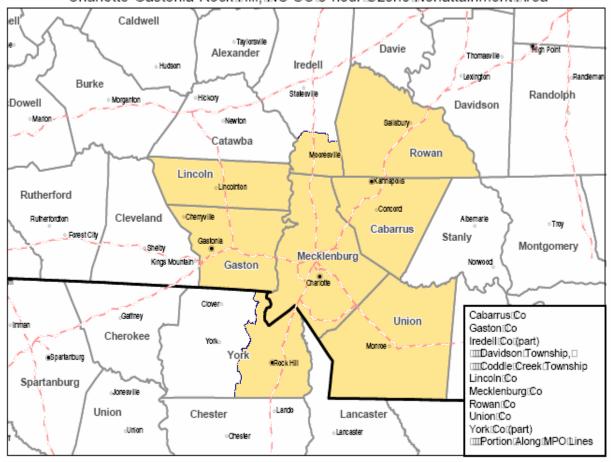
- Catawba mill located in York County, South Carolina.
- York County part of Charlotte-Gastonia-Rock Hill, NC-SC MSA.
- Violating monitors in the Charlotte region.
- It is important to note that the monitor in York County showed attainment with the 8-hour standard.

Non Attainment Area

- SCDHEC, Governor Sanford, SC Chamber of Commerce, and industry including Bowater voiced opposition to York County being part of the non attainment designation.
- However during April of 2004, the area was declared moderate non-attainment for the eight hour ozone standard.

Non Attainment Area

Charlotte-Gastonia-Rock Hill, INC-SC 8-hour Ozone Nonattainment Area



Boundaries and locations are for illustrative purposes only. This is not a regulatory document.

We Need a Permit

- Late 2004, Bowater management wanted to initiate a capital project to optimize the Kraft fiberline.
- We needed to obtain an air construction permit in a non-attainment area.
- Here is our story

Permitting

- We determined that the project was going to increase NOx emissions.
- We would require offsets or ERC's.
- Offset Requirements
 - -Ratio 1.15 to 1 for Charlotte MSA
 - -Federally enforceable

Emission Offsets

- Working with a national broker and our local contacts we found some offsets in North Carolina.
- But the offsets needed to be formally approved and accepted by NCDENR and SCDHEC.
- To be approved, NCDENR and SCDHEC had to prove to EPA that the area will be in attainment by 2010.

Emission Credits

- Huge effort by NCDENR and SCDHEC to convince EPA that the area would be in attainment by June 2010.
- NCDENR made numerous runs of the model.
- Using results from modeling runs and "Weight of Evidence" NCDENR was able to convince EPA that the area would be in attainment by 2010.
- NCDENR certified the ERC's.
- Bowater purchased the ERC's.

Emission Credits

- ERC's were acquired at a significant cost.
- Keith Overcash and his staff at NCDENR were very helpful.
- Same goes for Myra Reece and her staff at SCDHEC.

Final Thoughts

- The new ozone standard will likely result in more areas being declared non-attainment for ground level ozone.
- Support efforts to improve air quality.
- The major contributor to the problem is motor vehicles.
- Avoid the non-attainment designation if at all possible!!!!!!!